

# 2016 PORT CLINTON INCOME TAX RETURN

FOR CALENDAR YEAR 2016 OR FISCAL PERIOD \_\_\_\_\_ TO \_\_\_\_\_

CALENDAR YEAR TAXPAYERS FILE ON OR BEFORE APRIL 15, 2017. FISCAL FILERS FILE WITHIN 105 DAYS OF PERIOD END

**DECLARING EXEMPTION:** Please fill out exemption certificate on page 2 and sign form at bottom

**FILING REQUIRED EVEN IF NO TAX IS DUE**

**1868 East Perry Street  
Port Clinton, OH 43452  
Phone: 419-734-5522  
Fax: 419-732-6558**

NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY, STATE, ZIP: \_\_\_\_\_  
PHONE #: \_\_\_\_\_  
EMAIL ADDRESS: \_\_\_\_\_

IF YOU MOVED OR HAD ANY CHANGE IN STATUS DURING 2016, COMPLETE THE FOLLOWING:

Date moved into Port Clinton \_\_\_\_\_  
Previous Address \_\_\_\_\_  
Date moved out of Port Clinton \_\_\_\_\_  
\*If name change, give previous name \_\_\_\_\_

SOCIAL SECURITY # OR FEDERAL ID # \_\_\_\_\_ SPOUSE SOCIAL SECURITY # \_\_\_\_\_

## W-2 WORKSHEET

**W-2  
COPIES  
MUST  
BE  
ATTACHED**

Date wages were Earned (Month/Day) From To	1 PRINT EMPLOYER'S NAME	2 CITY WHERE EMPLOYED	3 PORT CLINTON TAX WITHHELD	4 OTHER CITY TAX WITHHELD	5 CREDIT ALLOWED FOR OTHER CITIES (MAX 0.5% OF WAGES)	6 QUALIFYING WAGES (Greater of Box 1, 3, 5 or 18)
<b>TOTALS</b>						

**ATTACH A COPY OF 1040, ALL APPLICABLE W-2S, FEDERAL SCHEDULES, EXPLANATIONS ETC...**

<b>INCOME</b>	1. Total W-2 wages from column 6 .....	1	\$	
	2. 2106 Expenses (Schedule A & Form 2106 Must Be Attached) .....	2	\$	
	3. TAXABLE WAGES. SUBTRACT LINE 2 FROM LINE 1 .....	3	\$	
	4. Other Income (from line 30 on back (see instructions)) .....	4	\$	
	5. TOTAL PORT CLINTON INCOME. ADD LINES 3 AND 4.....	5	\$	
<b>TAX</b>	6. PORT CLINTON INCOME TAX. MULTIPLY LINE 5 BY 1.5% (0.015) .....	6	\$	
<b>TAX WITHHELD, PAYMENTS AND CREDITS</b>	7. Port Clinton income tax withheld from column 3 .....	7	\$	
	8. Prior year credits .....	8	\$	
	9. Estimated payments .....	9	\$	
	10. Credit for taxes withheld to other cities from column 5 and 6B on back.....	10	\$	
	11. TOTAL PAYMENTS AND CREDITS. ADD LINES 7 THROUGH 10 .....	11	\$	
<b>BALANCE DUE, REFUND OR CREDIT</b>	12. <b>BALANCE DUE.</b> If line 6 is more than 11, enter balance due here .....	12	\$	
	13. Late filing and late payment penalty (see instructions) .....	13	\$	
	14. Interest (see instructions) .....	14	\$	
	15. <b>TOTAL DUE.</b> Add lines 12 through 14. Carry to line 25 below (No tax due if \$10.00 or less) .....	15	\$	
	16. <b>OVERPAYMENT.</b> If line 6 is less than line 11, enter overpayment here....	16	\$	
	17. AMOUNT FROM LINE 16 TO BE REFUNDED (no refund or credit if \$10.00 or less) ....	17	\$	
	18. AMOUNT FROM LINE 16 TO BE CREDITED TO NEXT YEAR .....	18	\$	

**DECLARATION OF ESTIMATED TAX – Taxpayers owing more than \$200.00 are required by law to set up and pay**

<b>ESTIMATE FOR NEXT YEAR</b>	19. Total estimated income subject to tax \$ _____ Multiply by tax rate of 1.5% (0.015) .....	19	\$	
	20. Subtract any estimated income tax to be withheld or paid to other cities .....	20	\$	
	21. Balance of city income tax declared. Subtract line 20 from line 19 .....	21	\$	
	22. Tax due before credits. Enter at least 25% of line 21 .....	22	\$	
	23. Less credits. Enter line 18 from above .....	23	\$	
	24. Net estimated tax due. Subtract line 23 from line 22 .....	24	\$	
<b>TAX DUE</b>	25. Enter balance due from line 15 above (No tax due if \$10.00 or less) .....	25	\$	
	26. <b>TOTAL TAX DUE. ADD LINES 24 &amp; 25. PLEASE MAKE CHECKS PAYABLE TO PORT CLINTON INCOME TAX DEPT.</b> .....	26	\$	

If this return was prepared by a tax practitioner, check here if we may contact him/her directly with questions regarding the preparation of this return.

The undersigned declares under penalty of perjury that this return (and accompanying schedules) is a true, correct and complete return for the taxable period stated and that the figures used herein are the same as used for Federal Income Tax purposes.

\_\_\_\_\_  
SIGNATURE OF PREPARER, IF OTHER THAN TAXPAYER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF TAXPAYER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
NAME AND ADDRESS OF PREPARER (PLEASE PRINT)

\_\_\_\_\_  
TELEPHONE NUMBER

\_\_\_\_\_  
SIGNATURE OF SPOUSE (IF JOINT RETURN)

\_\_\_\_\_  
TELEPHONE NUMBER

# SCHEDULE OF OTHER INCOME

RETURNS WILL NOT BE ACCEPTED WITHOUT COPIES OF FEDERAL SCHEDULES C AND E, FORMS 1120, 1120S, FORM 1065 WHEN APPLICABLE. MUST INCLUDE ALL PAGES, SCHEDULES & STATEMENTS

FORM OR SCHEDULE	INCOME OR LOSS FROM FEDERAL SCHEDULE	TAX CREDIT ALLOWED FOR TAX PAID TO OTHER CITIES (LIMITED TO 0.5% OF INCOME)
1. SCHEDULE C – BUSINESS INCOME (Attach copy of form and any referenced schedules)		
2. SCHEDULE E – RENTAL INCOME (Residents enter profit/loss from all properties. Nonresidents enter only profit/loss from Port Clinton properties)		
3. SCHEDULE K-1 (Residents enter profit/loss from entities that do not pay Port Clinton tax on entire distributive share.) (Attach copy of K-1)		
4. MISCELLANEOUS INCOME – 1099 MISC, W-2G, SCHEDULE F, ETC. (Attach copy of supporting document)		
5. FORM 1120, 1120S, 1065, 1041 (Attach copy of form and any referenced schedules)		
6. TOTAL INCOME (LOSS) (Combine Lines 1 through 5 and enter amount from 6A on Line 28 below and amount from 6B on Line 10 on front of return.)	6a	6b

## SCHEDULE X RECONCILIATION WITH FEDERAL INCOME TAX RETURN (NOT FOR INDIVIDUAL NON-BUSINESS USE)

ITEMS NOT DEDUCTIBLE	ADD	ITEMS NOT TAXABLE	DEDUCT
a. Capital Losses (Excluding Ordinary Losses).....	\$ _____	k. Capital gains (Excluding Ordinary Gains) .....	\$ _____
b. Expenses incurred in the production of non-taxable income ...	_____	l. Interest Income.....	_____
c. Taxes based on income (Including Franchise Tax) .....	_____	m. Dividend Income.....	_____
d. Net operating loss carry forward from Federal Return.....	_____	n. Section 179 Deduction .....	_____
e. Amounts paid or accrued on behalf of owners/partners for qualified self employed retirement plans, health insurance and/or life insurance.....	_____	o. Other (explain).....	_____
f. Officers Compensation not included in W-2 wages .....	_____	.....	_____
g. Other expenses not deductible (explain) .....	_____	.....	_____
h. Total additions (enter on Line 28a).....	\$ _____	p. Total Deductions (enter on Line 28b) .....	\$ _____

## SCHEDULE Y BUSINESS ALLOCATION FORMULA

	a. LOCATED EVERYWHERE	b. LOCATED IN PORT CLINTON	c. PERCENTAGE (b ÷ a)
<b>STEP 1</b> Avg. Original Cost of Real & Tang. personal property	_____	_____	
Gross annual rentals paid multiplied by 8	_____	_____	
Total Step1	_____	_____	_____ %
<b>STEP 2</b> Gross receipts from sales made and/or work or services performed	_____	_____	_____ %
<b>STEP 3</b> Wages, salaries, and other compensation paid	_____	_____	_____ %
<b>STEP 4</b> Total percentages	_____	_____	_____ %
<b>STEP 5</b> Average percentage (Divide Total Percentages by Number of Percentages Used)			Carry to Line 29b below _____ %

27. Total from Schedule of income from other than wages above (Line 6a) .....	\$ _____
28. a. Items Not Deductible.....	ADD \$ _____
b. Items Not Taxable .....	DEDUCT \$ _____
c. Enter excess of Line 28a or 28b (see instructions).....	\$ _____
29.a. <b>Adjusted Net Income</b> (Line 27 minus 28c)(see instructions).....	\$ _____
b. Amount allocable to Port Clinton. If Schedule Y is used then, _____% of Line 29a .....	\$ _____
30. Amount subject to Port Clinton Income Tax (Carry to Page 1 Line 4).....	\$ _____

**EXEMPTION CERTIFICATE (Signature is required on front of this form)**

- I have no taxable income because of the reason indicated below:
- RETIRED – I received only pension, Social Security and/or interest or dividend income for the entire year. (Please attach 1099R or statement of benefits).
  - UNDER 18 for the entire year of \_\_\_\_\_. My date of birth is \_\_\_ / \_\_\_ / \_\_\_\_\_. (Attach copy of birth certificate or driver's license)
  - ACTIVE MEMBER OF THE U.S. ARMED FORCES for the entire year of \_\_\_\_\_.
  - NO EARNED INCOME for the entire year of \_\_\_\_\_. (Public assistance, SSI, Unemployment, etc. is not considered earned income.)

# CITY OF PORT CLINTON INCOME TAX INSTRUCTIONS

## WHO MUST FILE:

**Every Resident**, full or partial year, 18 years of age and older, must file a tax return, whether or not taxes are due, unless that resident is retired with no earned income. See definition of earned income in the **RETIREE** section below.

**Every Business Entity**, whether a resident or non-resident, who conducts a business in Port Clinton must file a return and pay any tax on that profit. If you have a net loss you are still required to file a return. ("Business" includes rental income.)

**Individuals**, earning income in Port Clinton not subject to the withholding of Port Clinton income tax must also file a return.

If you received a letter of need to file from this office be sure to file, even if you had no taxable income for the year. If you are not subject to Port Clinton tax complete the exemption certificate on pg. 2 of the return.

**RETIREES:** Retirees who earn wages, operate a business, own rental property or earn other income, are required to file. If your ONLY income source is retirement income (i.e. SSI, other pensions, interest, dividends, IRA and 401k distributions), complete the exemption certificate on pg. 2 of the return.

**UNDER 18:** If a person is under 18, was employed in the city of Port Clinton and had Port Clinton taxes withheld, a refund will be issued after receiving a signed tax return with W-2s and a copy of driver's license or birth certificate attached for verification. If under 18 for part of the year, include paystub closest to 18th birthday.

**FILING STATUS:** Taxpayers who prepare their federal and state tax returns using the "married filing separate" status to lower their overall tax liability may still file a joint return for the City of Port Clinton. Filing a joint return will neither increase nor decrease your City of Port Clinton tax liability. Husband and wife may file joint returns, in which case both must sign the return and submit their social security numbers.

**WHEN TO FILE:** Taxpayers who end their taxable year on December 31 must file on or before the IRS due date. Taxpayers on a fiscal year must file on or before the 15th day of the fourth month after the close of that fiscal year or other period.

**EXTENSIONS:** If the deadline to file cannot be met, an automatic extension will be granted if taxpayer received an extension on his federal return. If an extension was not requested or received for federal purposes, a taxpayer may still request an extension to file his city tax by sending a request to the Tax Commissioner by the unextended due date of the return. **An extension of time to file is not an extension of time to pay.** Payment of any estimated tax due should be sent in by the unextended due date of the return to avoid a late payment penalty. Although not required by state law, a courtesy copy of the extension by the due date of the return would be appreciated. A copy of the extension must be attached to the return when filed or the return will be considered late and a late filing penalty applied.

**PARTIAL YEAR RESIDENTS:** If you only lived in Port Clinton during part of the year you must file a tax return covering that time. Report the amount of income you earned while you lived in Port Clinton. Pay stubs with year-to-date figures or a statement from your payroll department must be used if available. When the actual amount you earned while living in Port Clinton cannot be determined, you may break down your earnings by the number of months employed at the job arriving at a monthly earnings figure. Use the monthly earnings figure multiplied by the number of months of residency to find your taxable amount. If you pro-rate your income you must also pro-rate your city tax that was withheld on the same income. **Attach a worksheet explaining your calculations.**

**DECLARATION OF ESTIMATED TAX FOR THE COMING YEAR:** Taxpayers who expect to receive taxable income for the coming year in which Port Clinton tax is not withheld must declare estimated tax payments, if the estimated liability is greater than \$200. (25% of full amount must be paid at the time of filing the Annual Return). The estimated tax payments due June 15th, September 15th, and December 15th will be billed.

**PENALTY AND INTEREST:** Except in those cases where an extension was filed, a late fee of \$25.00 per late month or fraction of a month up to a maximum of \$150.00 shall be due on returns filed after the due date, even when no tax is due. A late payment penalty of 15% of any balance due that remains unpaid after the due date will also be charged unless estimated tax payments of at least 90% of the entire tax liability has been paid by December 15th of the period covered by the return. Interest at the rate of 0.42% per month will be charged from the original due date of the return until date of actual payment. See ORC section 718.27.

**NET OPERATING LOSSES:** The City of Port Clinton does not allow the carryforward of net operating losses.

**AMENDED RETURNS:** Amended returns are accepted by completing an income tax return with the words "Amended Return" written in red ink across the top and indicating the year being amended. The amended return is required within three (3) months of the final determination of any changed tax liability resulting from the Federal audit, judicial decision, or other circumstances.

**TAXABLE INCOME:** Port Clinton income tax is levied at the rate of 1.5%. Income taxable to the city is listed below. While this list is not comprehensive, it encompasses most of the taxable situations. In addition to the listing, the net profits of all unincorporated businesses, professions, rentals or other activities conducted by residents and non-residents of the City of Port Clinton are taxable.

## TAXABLE INCOME

Wages, salaries and other compensation  
Bonuses, stipends and tip income  
Commissions, fees and other earned income  
Sick pay (including 3rd party)  
Employee contributions to retirement plans and tax deferred annuity plans (including Section 401k, 403b, 457b, etc.)  
Net rental income  
Net profits of businesses, professions, sole proprietorships, etc.  
Income of corporations, partnerships, s-corporations, estates or trusts (Taxed at the entity level)  
Vacation pay  
Stock options  
Net farm income  
Prizes and gifts, if connected with employment, to the same extent as taxable for Federal Income Tax purposes  
Director fees  
Income from jury duty  
Strike pay  
Uniform, automobile, moving and travel allowances (in excess of expense)  
Executor fees  
Supplemental Unemployment Benefits (SUB pay)  
Lottery winnings  
Compensatory insurance proceeds from lost wage settlements

## NON-TAXABLE INCOME

Interest or dividend income  
Pre-tax contributions made by or on behalf of employees to cafeteria plans (Sections 125 plans)  
Welfare benefits  
Social Security  
Income from qualified pension plans  
State unemployment benefits  
Worker's Compensation  
Proceeds of life insurance  
Alimony and child support  
Government disability payments  
Poll worker income up to \$1,000  
Military pay (including National Guard)  
Earnings of persons under 18 years of age  
Capital gains  
Patent and copyright income  
Royalties derived from intangible property  
Compensatory insurance proceeds derived from property damage or personal injury settlements

# LINE BY LINE INSTRUCTIONS

Complete the worksheet detailing the wages received on your W-2s

## PAGE 1

**Column 1** – Enter employer's name and dates worked for employer in column to left.

**Column 2** – Enter the city where employed. If your W-2 states "various" or "all cities," please attach a copy of the itemized breakdown.

**Column 3** – Enter City of Port Clinton tax withheld from Box 19 on the W-2.

**Column 4** – Enter tax withheld for work in other cities.

**Column 5** – Enter the smaller of Column 4 or Column 6 multiplied by 1.5%. Port Clinton allows a tax credit for taxes withheld for another city up to 0.5%. Credit may not exceed 0.5% of the wages taxed by another city on each W-2 form. When you reduce income earned in another city by 2106 expenses, you must also reduce the tax credit in Column 5.

**Column 6** – Enter the wages earned on each W-2. In most cases the amount shown in Box 18 of the W-2 should be used. However, if Box 5 is higher, that wage must be used to calculate total wages earned.

**Line 1** – Enter total amount of W-2 wages from Column 6. Attach all W-2s to back of return.

**Line 2** – Enter 2106 expense. Unreimbursed employee business expense in excess of 2% of Federal Adjusted Gross Income may be deducted. If income is allocated between cities, 2106 expenses should likewise be allocated. Federal Form 2106 and Schedule A must be included with the return

**Line 3** – Subtract Line 2 from Line 1.

**Line 4** – Enter the amount of other income from Line 31 from the back of the return, but not less than -0-. Attach appropriate schedules and documentation. Attach 1099s and W-2Gs on the side of the return with the W-2s.

**Line 5** – Add Lines 3 and 4.

**Line 6** – Multiply Line 5 by 1.5% (.015).

**Line 7** – Enter tax withheld for Port Clinton from Column 3.

**Line 8** – Enter any prior year credits.

**Line 9** – Enter any estimated payments made.

**Line 10** – Enter credit for taxes paid to by other cities from Column 5 and/or Line 6B from Schedule of Other Income on back.

**Line 11** – Add Lines 7 through 10.

**Line 12** - Subtract Line 11 from Line 6. If Line 6 is more than Line 11, enter balance due.

**Line 13** – Enter Late Filing and Late Payment Penalty, if applicable.

**Line 14** – Enter Interest at 0.42% per month on the balance due, if applicable.

**Line 15** – Add Lines 12, 13, and 14. Enter total here. No tax due if balance is \$10.00 or less.

**Line 16** – If Line 6 is less than Line 11, enter overpayment.

**Lines 17 & 18** – Indicate disposition of overpayment either by refund or credit to next year. Per Ohio Revised Code, no refunds or credit will be issued for overpayments of \$10.00 or less.

**Line 19** – Enter total estimated tax on income subject to tax, multiplied by a tax rate of 1.5%.

**Line 20** – Enter any Port Clinton tax to be withheld or credit for tax withheld/paid to another city.

**Line 21** – Enter net tax due by subtracting Line 20 from Line 19.

**Line 22** – Enter amount due with estimate, 25% of Line 21.

**Line 23** – If applicable, enter overpayment from previous year (Credit Line 18). If credit Line 18 exceeds Line 22, credit will carry over into 2nd Quarter payment. No estimated tax will be due at this time, unless you want to pay your remaining estimated balance in full for the year.

**Line 24** – Subtract Line 23 from Line 22.

**Line 25** – Enter amount from Line 15. No tax due if balance is \$10.00 or less.

**Line 26** – Add Lines 24 and 25. **Sign and date return and make check payable to the Port Clinton Income Tax Department.** Joint returns must be signed by both parties.

## PAGE 2

### Schedule of Other Income

**Line 1 Schedule C:** Net profits shall be determined on the basis of the information used for Federal income tax purposes, adjusted to the requirements of the ordinance. All business entities must attach copies of appropriate Federal Schedules.

**Line 2 Schedule E:** Residents enter profit/loss from all properties. Nonresidents enter only profit/loss from Port Clinton properties.

**Line 3 Schedule K-1:** Residents only enter profit/loss from entities that do not file and pay Port Clinton tax.

**Line 4 Miscellaneous Income:** Enter income from 1099MISC not included in other schedules, W-2G, Schedule F, etc.

**Line 5 Forms 1120, 1120S, 1065, 1041:** See Ohio Revised Code Section 718.01(E) & 718.02.

**Line 6 Total Income/Loss:** Combine Lines 1 through 5 and enter amount from 6A on Line 28 on back of return. If you are a resident and paid tax to another city on income from Lines 1 through 4, enter amount from Line 6B on Line 10 on front of return, limited to 1.75% of income. Losses from this section may not offset wage income on Line 3 on front of return.

**SCHEDULE X:** This schedule is used by businesses for the purpose of making adjustments when total income includes income not taxable and/or not deductible for city purposes. Items not taxable include interest, dividends, capital gains from the sale, exchange or other disposition of property. Items not deductible include federal, state, local and other taxes based on income, capital losses from the sale, exchange or other disposition of property, expenses incurred in the production of non-taxable income, net operating loss deduction per Federal return, payment to partners, payments to "officers" unless included on W-2 forms or any other items as prohibited by the Federal or State governments. Amounts considered as "special deductions" on Federal return are not considered for local tax.

**SCHEDULE Y:** To be used when the books and records of the taxpayer do not disclose with reasonable accuracy the net profit attributable to Port Clinton. A business allocation formula consisting of the average property, wages paid, and gross receipts may be used by business entities not required to pay tax on entire net profits. See ORC section 718.02.

**Line 27** – Enter total from Schedule of Other Income, Line 6A.

**Line 28A** – Enter total from Schedule X, Line h.

**Line 28B** – Enter total from Schedule X, Line p.

**Line 28C** – Subtract Line 28B from Line 28A. If Line 28B is greater than 28A, enter as a negative number.

**Line 29A** – Subtract Line 28C from Line 27.

**Line 29B** – Multiply Line 29A by allocation percentage from Schedule Y.

**Line 30** – Enter amount from Line 29B and carry amount to Page 1 Line 4.